

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2139 – SB 2514

February 23, 2016

SUMMARY OF ORIGINAL BILL: Requires local education agency staff to verify that they have read their local education agency's (LEA) internet use policy before accepting or renewing an employment contract and for this policy to be distributed to all LEA personnel.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (011853): Deletes all language of the original bill. Requires each local education agency (LEA), the Achievement School District (ASD), and the State Board of Education (SBE) to publish an annual charter school authorizer report. Sets forth requirements for each report. Requires the reports to be transmitted to the Governor, the General Assembly, the Department of Education, and the SBE, if appropriate, by December 1 each year.

Directs that the SBE shall be the charter authorizer oversight authority for LEAs and the ASD. Requires the SBE to conduct a comprehensive review of each chartering authority and to publish a written report on its website. Authorizes the SBE to contract with a third-party to help evaluate and review each chartering authority. Authorizes the SBE to perform additional reviews at any time it finds necessary and appropriate. Requires all chartering authorities to adopt national authorizing standards for use in reviewing public charter school applications.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$52,000/FY16-17
\$42,000/FY17-18 and Subsequent Years**

Assumptions for the bill as amended:

- Based on information from the SBE, the Board will annually conduct a comprehensive review of at least one chartering authority each year beginning in FY16-17. This evaluation will compare the chartering authority's process to the national authorizing standards and will require document review, a survey, phone interviews and potential site visits.

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- The Board will need to employ one part-time position to administer the annual the charter evaluation process, and will also contract with an outside vendor on a one-time basis to help develop the process.
- The increase in state expenditures for the part-time position is estimated to be \$30,000 for FY16-17.
- Based on information provided by the SBE, the increase in state expenditures for contracting with a third-party vendor is estimated to be \$20,000 for FY16-17.
- The increase in state expenditures for travel reimbursement for SBE staff to make site visits, or for current charter authorizes that are being evaluated to come to Nashville to meet with SBE staff, is estimated to be \$2,000 for FY16-17.
- The total increase in state expenditures in FY16-17 is estimated to be \$52,000 (\$30,000 + \$20,000 + \$2,000).
- In FY17-18 and subsequent years, the SBE will continue to require the one part-time position.
- Beginning in FY17-18, the SBE will also contract with outside reviewers to assist SBE staff in the evaluation process at a cost estimated to be \$12,000 per year.
- The total recurring increase in state expenditures in FY17-18 and subsequent years is estimated to be \$42,000 (\$30,000 + \$12,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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